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Kathy Cooper

From: Smolock, Bryan <bsmolock@pa.gov>
Sent: Tuesday, July 10, 2018 7:28 AM
To: Kathy Cooper
Subject: FW: Proposed Rulemaking: Title 34 Labor & Industry Regulations for Min Wage 34 Pa. Code, Pt XII, Ch 231



-----Original Message-----

From: Lisa Rager [<mailto:lrager@visitjohnstownpa.com>]
Sent: Monday, July 09, 2018 11:21 AM
To: Smolock, Bryan <bsmolock@pa.gov>
Subject: Proposed Rulemaking: Title 34 Labor & Industry Regulations for Min Wage 34 Pa. Code, Pt XII, Ch 231

Dear Director Smolock,

My name is Lisa Rager. I am the Executive Director of the Johnstown Convention & Visitors Bureau, which employs a full-time staff of five people.

I am writing to express my deep concerns with the proposed rule making by the Department of Labor as it pertains to the salary threshold for exempt employees in Pennsylvania. By the Department's own admission, there was no effort to meet with the thousands of business owners/managers in this Commonwealth to obtain feedback and no consideration given to the geographical make-up and different costs of living that vary throughout the Commonwealth.

An increase in the threshold in Pennsylvania to \$921/week over two years would hurt my employees and our organization. While the current threshold may need to be increased to take into consideration changes over the years, an increase of over 200 percent, even if over the course of a few years, is well beyond what an increase based on inflation should be.

This change would force us to take employees that are currently in a leadership position and make them hourly, which could mean a loss in pay but more importantly take away the flexibility that we provide to them in their work schedule and the leadership they have earned in their salaried position in the first place. Employees often perceive re-classifications to non-exempt hourly positions as demotions. In my experience, employees look forward to making the jump from hourly to salaried and reclassifying them will undoubtedly be viewed by many as a step backwards in their careers.

In our small, non-profit organization that is the tourist promotion agency for our destination, our staff's work week fluctuates. We attend trade shows on weekends, travel to conferences, run events in the summer, attend evening meetings and other weekend functions. Our staff appreciates the flexibility to have additional time off to balance out their work week. Furthermore, it would significantly affect our budget, not to mention the moral of our dedicated people. Although we are a small staff of five, each individual is a manager of her own area of responsibility; however, only one employee, besides myself, would exceed the salary threshold for exempt employees. Cost of living and salaries in general in a small town like Johnstown don't compare with the rest of Pennsylvania. Many employees are managers earning much less than the proposed \$38,000 per year. This salary threshold is just not inline with where salaries are in our area, which has been economically depressed for many years.

Pennsylvania needs to continue to be competitive to ensure that it can attract more businesses to our state. The U.S. Department of Labor is likely to change the threshold on a national level, and I would urge the state Department to wait and consider the newly proposed regulations that the federal Department will release.

To that end, I do support changing Pennsylvania's duties test to be identical to the federal duties test. Unfortunately, the proposed regulation purports to do that but actually doesn't. Pennsylvania has a significant number of gray areas as it pertains to our current regulation and aligning with the federal guideline would once again provide the consistency and clear guidance the business community needs.

The regulation as proposed will hurt our organization as it currently operates and our ability to grow and increase tourism to our area. Changes may need to be made as it pertains to the salary threshold, but the Department should take into consideration the multiple variables at play in Pennsylvania instead of relying on one-sided studies and political rhetoric.

Sincerely,

Lisa M. Rager, Executive Director
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